



Intelligent Risk

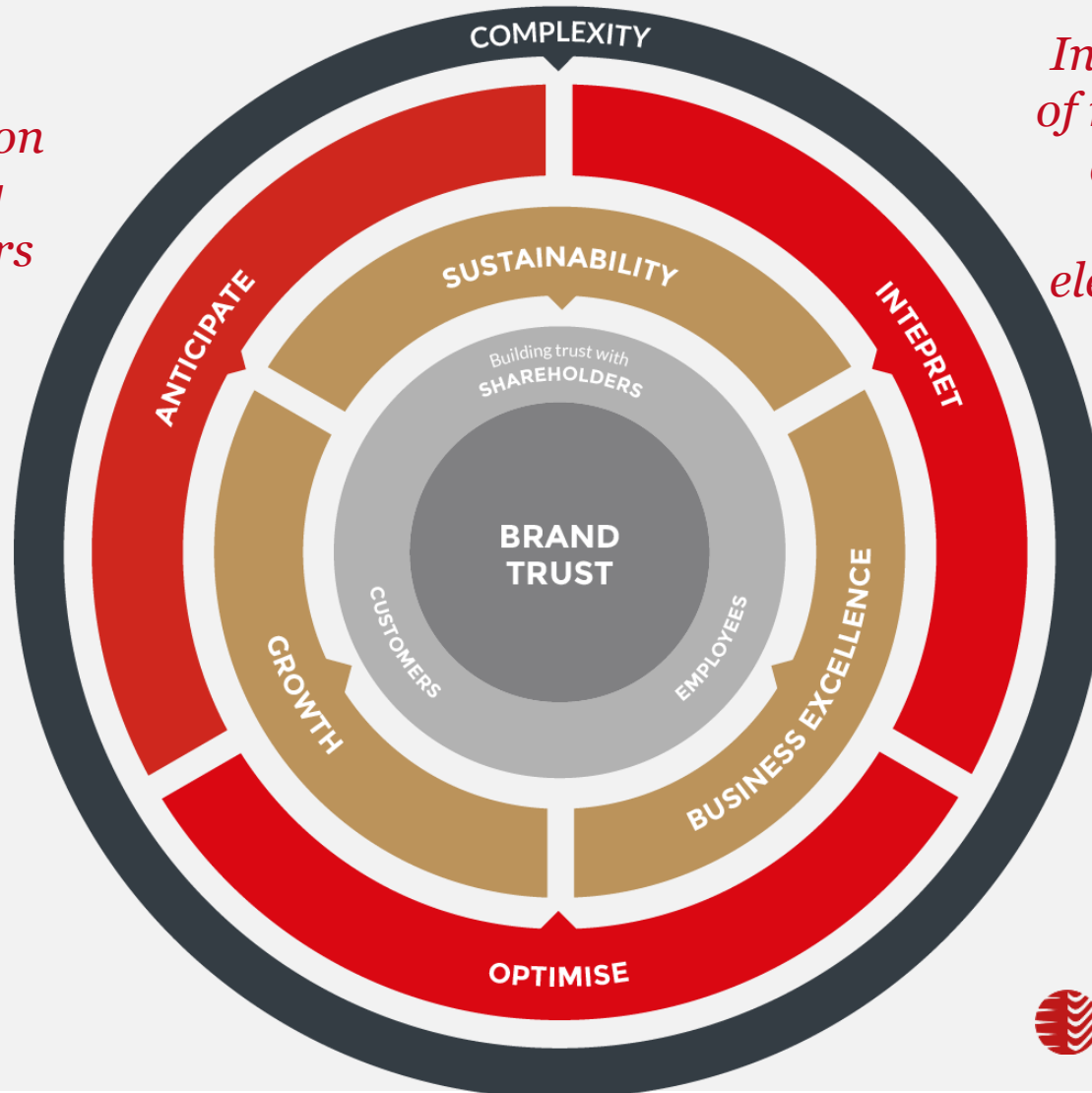
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SAI GLOBAL

Intelligent Risk

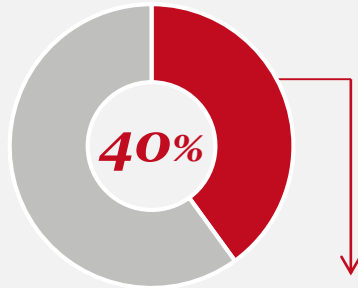
- Globalisation
- Technology
- Stakeholders



*In an environment of rapid change and complexity one currency is elevating above all others: **trust***

Even formal risk programs are immature

Companies with formal and comprehensive risk management programs



Optimized: Our processes are consistently monitored and improved to maximize business performance.

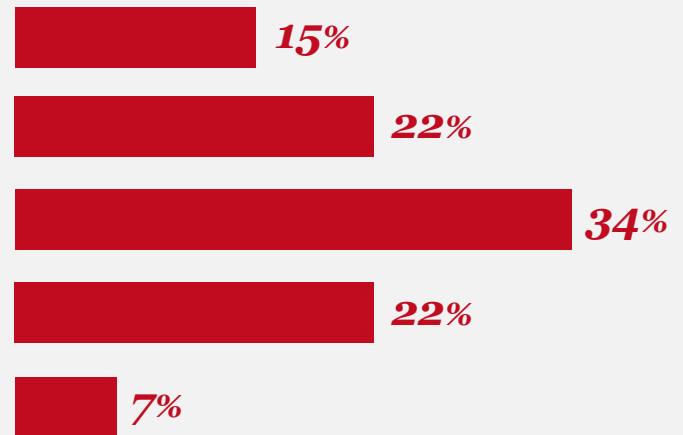
Measured: Our processes are tracked and managed using advanced metrics facilitated through technology.

Defined: Our processes are clearly defined and well-documented across risk functions.

Repeatable: Our processes are mostly consistent, based on most pressing needs, but not connected across all risk functions.

Ad-hoc: Our processes are generally not consistent across risk functions.

Maturity of formal risk programs



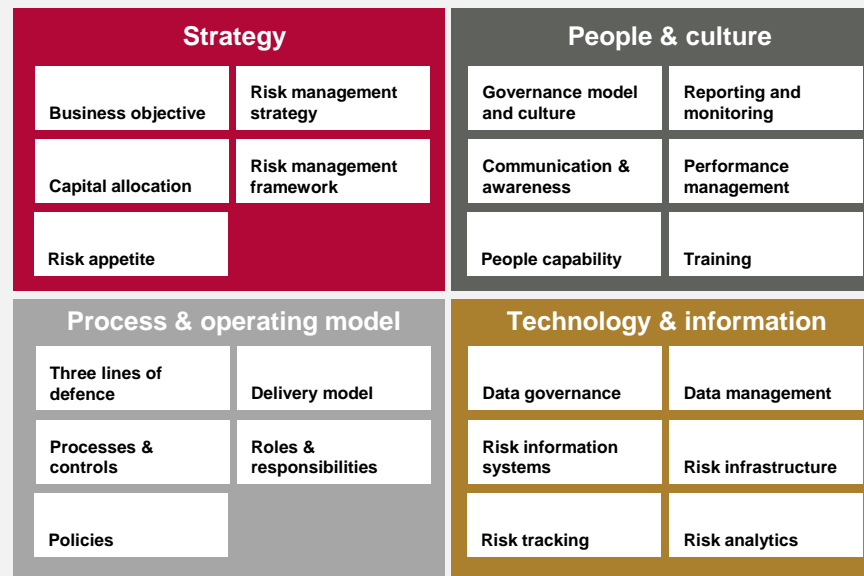
SAI's four cornerstones for Intelligent Risk

Strategy – What is risk to the strategy and the risk of the strategy?

- Executive and board manage risks to strategy proactively
- Transactional and portfolio risks are well-understood
- Risk infrastructure is aligned with business strategy
- Capital allocation is in line with risk appetite
- Regulatory environment is factored into strategy

Process and operating model – How is risk managed?

- Risk is managed throughout an organisation with well-defined roles and responsibilities
- There are responsibilities between businesses and control functions
- Processes and controls are efficient, standardised and understood (including shared services and/or centres of excellence)



People and culture – How is risk oversight ensured and behaviours guided by the risk culture?

- Executive and board seek to establish a risk intelligent culture
- Employees are rewarded and compensated for superior risk management practices
- The enterprise governance framework is well understood and integrated with risk management programs

Technology and Information – How is risk measured and monitored?

- Complete aggregated risk data is processed and reported real-time
- Analytics allow for ad hoc analysis of stresses and scenarios
- Finance, operational and risk data are integrated
- Data quality is treated as a strategic asset
- Data is adequately protected from cyber threats

Drive strategic risk discussions

What are the threats and opportunities in your industry and business model?

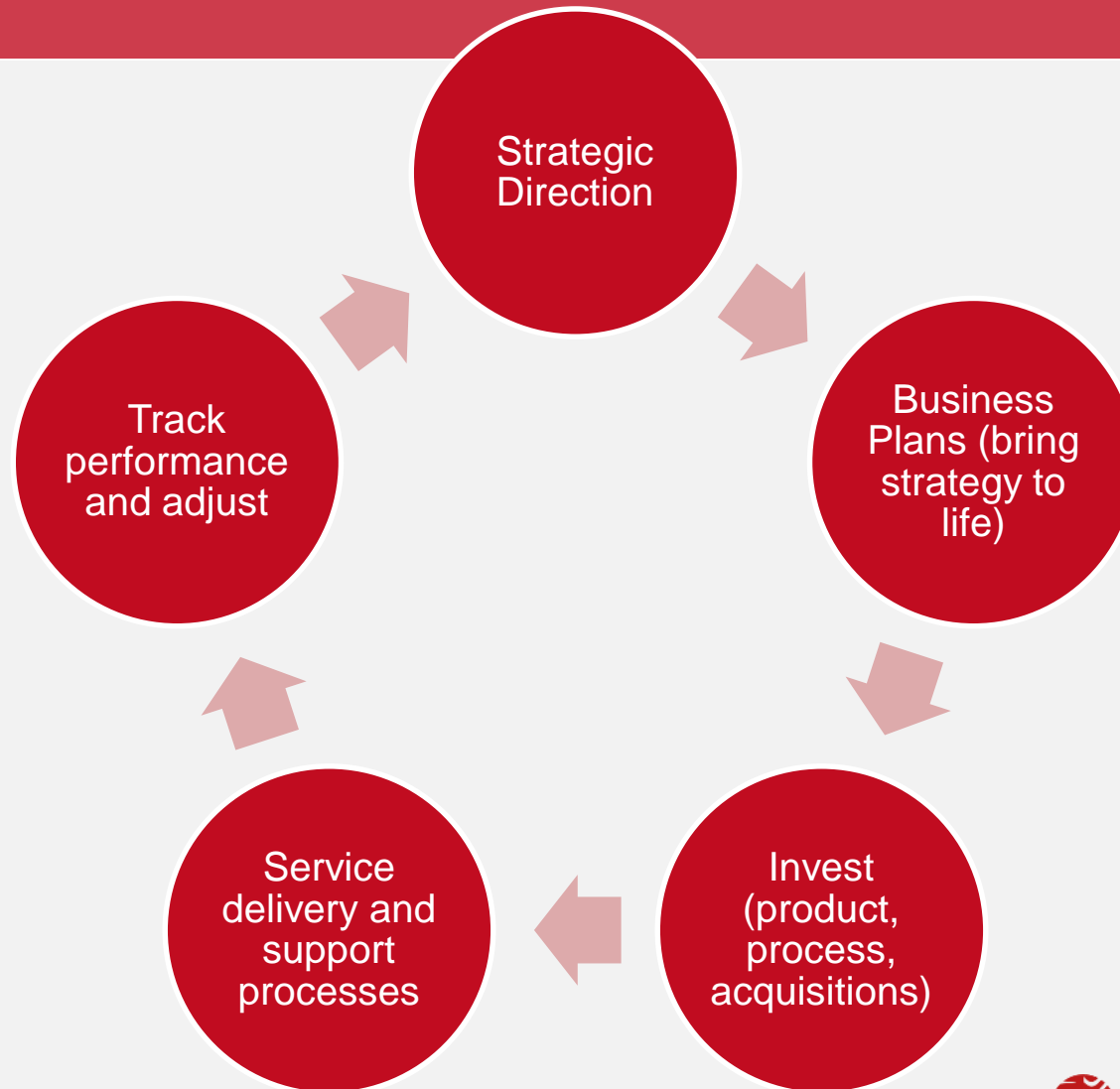
Understand the risks of different options – and do you have the capacity to take that level of risk

Use risk to help set the **strategic direction** – not as an afterthought


Strategy



Risk management in every decision



Make Risk Appetite Real






*What risks
are we
willing to
take?*

*Consider
our
stakeholders*

*Proactively
understand
performance*

Understand performance against appetite

Appetite Statement	Controls	Oversight & Assurance	Measures	Tolerances						
Ethical Behaviour We will not accept unethical behaviour, including bribery and corruption 	<ul style="list-style-type: none">• Code of Business Conduct and related training• Anti-Bribery and Corruption Policies (ABAC) and related training• Anti-corruption clauses in standard contracts and shareholder agreements (joint ventures)• Gift Register• Whistleblower Program• Crime Insurance	<ul style="list-style-type: none">• Annual reporting to Risk Committee on ABAC program• Annual Reporting to Risk Committee on Whistleblower Program• Reporting to Risk and Audit Committees of any fraud detected in business• Group Internal Audit¹	<ul style="list-style-type: none">• Proportion of staff complete ABAC and Our Values at Work training• Incidents monitored to confirm appropriate response, with reporting to the Risk Committee	<table><tr><td>>98 %</td></tr><tr><td>90-98%</td></tr><tr><td><90%</td></tr></table> ABAC and Code of Conduct Training	>98 %	90-98%	<90%			
>98 %										
90-98%										
<90%										
Safety We will keep our people safe 	<ul style="list-style-type: none">• WHS Policy and management system• WHS employee training• International travel policy, training and risk assessment• WHS performance included in remuneration framework	<ul style="list-style-type: none">• Group WHS Manager• Group Internal Audit• WHS report to Risk Committee	<ul style="list-style-type: none">• WHS training² completion rates• LTIFR• Status of WHS Risk and inspection program	<table><tr><td>>98 %</td><td>>90 %</td></tr><tr><td>90-98%</td><td>80 - 90%</td></tr><tr><td><90%</td><td><80%</td></tr></table> WHS Training Risk Prog	>98 %	>90 %	90-98%	80 - 90%	<90%	<80%
>98 %	>90 %									
90-98%	80 - 90%									
<90%	<80%									
Financial Integrity We will not accept material misstatement of our financial statements and we will take a prudent approach to accounting judgements and estimates 	<ul style="list-style-type: none">• Financial Control Framework, including Group Finance review of results, Reconciliations, Audit Committee review of significant accounting estimates and changes in accounting policy• Quarterly internal control questionnaire	<ul style="list-style-type: none">• Group Internal Audit• External audit• Audit Committee	<ul style="list-style-type: none">• Timely resolution of Internal Audit findings and External Audit Management Letter Points related to financial reporting and tax• Balance sheet reconciliations completed	<table><tr><td>>95 %</td><td>>95%</td></tr><tr><td>90-95%</td><td>90-95%</td></tr><tr><td><90%</td><td><90%</td></tr></table> Audit Points Recs	>95 %	>95%	90-95%	90-95%	<90%	<90%
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Intelligent Risk Provides Valuable Insight



Risks that matter



Business intelligence



Driving action & accountability

Summary

In order to not only survive, but thrive in today's increasingly complex, uncertain and dynamic business world, businesses must be prepared to take risks. It's up to the organisation to ensure those risks are strategic, measured and managed responsibly.

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